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EXHIBIT 5 H111  
DATE 1-23-09  
HB 20

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January 23, 2009

TO: Members, House Human Services Committee  
FR: Mary McCue, Esq.  
Lobbyist, Human Resource Development Council Directors Association (HRDC)

RE: HB 20

The HRDC Directors support HB 20 as an important means to provide more funding for weatherization assistance in Montana.

## Need for Weatherization Assistance Program: Impact on Low-Income Montanans

- In Montana more than 14% of people live at or below the federal poverty level. This is higher than the national average of 13%. For those 136,000 of the state's citizens living in low-income households, high heating bills are a serious financial problem. But if their homes are weatherized, their utility bills can be reduced significantly, making money available for the other necessities of life: food, housing, and clothing.

- Montana's low-income Weatherization Assistance Program offers much needed help to low-income households. It enables those households to reduce their energy bills by making their homes more energy efficient. The program is available to households at or below 150% of the federal poverty level at no cost to the household.

- The Weatherization Assistance Program has reduced energy costs for recipient households by about 37%. In fiscal year 2008 funding for the program was \$10.3 million. More than 2,260 households will be weatherized. The average cost per home weatherized is approximately \$4,500. But more than 60,000 households are eligible for weatherization assistance.

- The program pays for cost effective energy conservation measures, including heating system tune-ups, reduction of air infiltration, and attic, wall, and floor insulation. To qualify, the low-income household must demonstrate that the value of projected energy costs will exceed the cost to weatherize.

- The program is operated state-wide by ten non-profit Human Resource Development Councils and one tribal government.

- The Weatherization Assistance Program helps to ensure that the home heating energy burden shouldered by low-income Montanans is comparable to other income groups. Data from the U.S. Department of Health and Human Services indicates the average home heating burden for households in the western states is about 6% of household income. But the burden for low-income Montanans is nearly 14%.

- In recent years nearly one-fourth of the homes that were weatherized were occupied by senior citizens.

- The program also serves to significantly reduce carbon emissions from the homes that are weatherized, an important goal in preserving our environment.

- The Weatherization Assistance Program and Montana's Low Income Energy Assistance Program (LIEAP), which pays a portion of low-income households' winter heating bills, ensure that the home heating burden shouldered by low-income Montanans is comparable to that of other income groups in the state. These two assistance programs help reduce that financial burden to low-income persons, including the 5,000 to 7,000 Native American households on Montana's reservations who qualify each year for help from LIEAP.

- HB 20 dedicates a small percentage (5%) of Montana's oil and gas production tax to the state's weatherization efforts. Passage of HB 20 will mean more Montanans will be safe and warm when frigid weather moves in.

- This year when NWE surveyed homes that had been weatherized they discovered an average annual savings of about \$570 per household. NWE reported, "These results appear to be much better than for typical weatherization programs."

- There are other important savings with the weatherization program: when a low-income household's home is weatherized and their utility bills are lowered, they can pay their heating costs without help from LIEAP. This helps to break the cycle of public assistance for the household. LIEAP funds stretch further, to help more people pay their energy costs.

- Montana's weatherization program helps our low-income citizens live in health and decency. At a time when households are struggling to meet current economic conditions, expanding the weatherization program by spending a small portion of our oil and gas taxes will go a long way to improve the living conditions of Montana's most vulnerable citizens.